

PROPOSED STATE OF ILLINOIS RULES AFFECTING SMALL BUSINESS

Following are proposed rules of possible interest to small businesses published in the October 21, 2005 *Illinois Register*. During the 45-day comment period, individuals have an opportunity to express their support or opposition to the rule. To submit comments or to learn more about the proposed rules, contact Katy Khayyat at the Department of Commerce and Economic Opportunity Entrepreneurship Network Information Center via e-mail at kkhayyat@ildceo.net or call (800) 252-2923 or (217) 785-8020.

The following proposed regulation will impact newly established businesses:

The Department of Employment Security proposed amendments for "Disqualifying Income and Reduced Benefits" (56 Ill. Adm. Code 2920) and "Determination of Unemployment Contributions" (56 Ill. Adm. Code 2770). The Part 2920 amendment implements Public Act 94-237 by expanding a rule that currently allows voluntary withholding from unemployment insurance benefits to cover possible federal income tax liability to also allow withholding for possible Illinois state income tax liability. The amendments to Part 2770 repeal obsolete average employer contribution rates listed by economic sector for calendar year 2000 and add the rates for 2006. The average contribution rate is listed for 21 different economic sectors in the North American Industry Classification System (NAICS). The rate indicates what a new employer's contribution rate to the unemployment insurance program should be, with certain exceptions, based upon the sector to which the employer belongs (e.g. agriculture, educational services, manufacturing, retail trade).

Bottom Line: Due to changes contained in the Unemployment Insurance Act, unemployment claimants are offered an option to have monies withheld from their benefits to cover Illinois income tax liability (Part 2920). The changes to Part 2770 announce the 2006 average contribution rates for each economic sector within the North American Industry Classification System (NAICS). A new employer's contribution rate will be based on the average contribution rate for the sector to which the employer belongs if the average rate exceeds the standard new employer rate and the employer is not required to pay at a higher-based rate. For questions or comments on either part, contact Gregory Ramel, 312-793-4240.

The following proposed regulation will impact anyone desiring to bid on state procurement of goods and services:

The Department of Central Management Services proposed amendments for "Standards Procurement" (44 Ill. Adm. Code 1) to address issues raised in an audit of DCMS by the Auditor General and to reflect recent statutory changes affecting state procurement practices. A new section concerning subcontractors specifies that all competitive sealed proposals, including proposals for professional and artistic services, require the selected vendor to identify any subcontractor who will provide services or supplies in the performance of the contract and the compensation paid to each such subcontractor. A 2nd new section specifies that in the event of a tie in a competitively sealed bid procurement process for the low bid or most advantageous proposal, preference in purchasing manufactured supplies for the state will be given to a vendor who certifies that he or she will provide domestic supplies. If domestic supplies are not part of the low bid or proposal, then any responsive and responsible vendor with domestic supplies who is within 2% of the identified vendor's price will be evaluated as though his or her price is 2% lower, subject to a \$50,000 maximum dollar value. An exception to this domestic supply preference may be made by an agency's state purchasing officer (SPO), however. Other covered topics in these amendments include SPO procurement authority limitations, required documentation for procurements and resulting contracts, phase-two time restrictions, narrowing the field for best-and-final offers, and adjusting the \$30,000 cap on "small purchases" for construction and construction-related services to reflect consumer price index increases. Also, the chief procurement officer (CPO) may require that any sole source procurement by approved by DCMS before publication of a notice in the Illinois Procurement Bulletin. Criteria are specified for resolving tie bids and proposals, and proper handling and documentation of bid corrections or withdrawals are addressed. Restrictions on awarding contracts to vendors who provide paid or unpaid pre-solicitation assistance are clarified, and notice of such awards must be published in the Bulletin.

Restrictions on pre-contract work are stated, and contract renewals beyond the maximum 10-year term of a contract that are binding on the vendor but not eh state are allowed. Four types of services are added to the list of jobs that must be covered by prevailing wage in contracts, and protest resolution will be handled by the "protest review office" rather than the procurement officer.

Bottom Line: Changes address new laws (Domestic Products Act and amendments to the Procurement Code), address internal issues raised by the Auditor General (provide better documentation of contract decisions, make the procurement process more open and accessible and make adjustments to bid management and processing of protests). For comments, contact Gina Wilson, 217-785-1793

The following proposed rulemaking will impact businesses offering residential real property mortgage loans within the pilot area and HUD-certified counselors:

The Department of Financial and Professional Regulation proposed a new Part titled "Predatory Lending Database" (38 Ill. Adm. Code 346) to establish, in accordance with Section 70 of the Residential Real Property Disclosure Act, a 4-year pilot program in certain Cook County areas based upon high mortgage foreclosure rates due to predatory lending. DFPR, pursuant to Public Act 94-280, must administer predatory lending databases containing information submitted by any broker, loan originator, credit counselor, title insurance company, or closing agent involved in a residential real property mortgage transaction within the pilot program area. Based upon this information, DFPR may require the prospective borrower to undergo credit counseling from a U.S. Department of Housing and Urban Development-certified credit counselor before the transaction can be finalized. Any costs associated with the counseling must be paid by the broker or originator. The rules contained in new Part 346 are brief and covered definitions, additional information that a broker or loan originator must submit for the DFPR database, standar4ds under which DFPR will recommend borrower counseling costs, and confidentiality of the database data.

Bottom Line: The rules establish a predatory lending database pilot program based on information provided by entities involved in residential property mortgage transactions. Also, at the Department's determination borrowers may be required to obtain credit counseling. For questions or comments, contact Barb Smith, 217-785-0813.

Public Hearing on Proposed Rules That Impact Nurseries and Nursery Dealers:

The Department of Agriculture has scheduled a public hearing concerning a proposed amendment for rules titled "Insect Pest and Plant Disease Act" (8 Ill. Adm. Code 240) that appeared in the 8/12/05 Illinois Register. The rulemaking increases the fee from \$25 to \$50, effective 1/1/06, for both a nursery dealer certificate and an "original certificate" (accompanies nursery stock, plants, or products for shipment or sale and verifies the items are free of insect pests and plant diseases). The hearing is scheduled for 11/7/05 at 10:00 a.m. in the Director's conference room at the DOA building located within the State Fairgrounds (use the entrance at 8th Street and Sangamon Avenue) in Springfield.

Public Hearing of Proposed Rules That Impact Businesses Owning Taxable Real Property in Illinois

The Property Tax Appeal Board announced that a public hearing is scheduled covering proposed amendments for "Practice and Procedure for Appeals Before the Property Tax Appeal Board" (86 Ill. Adm. Code 1910), which were published in the 9/16/05 Illinois Register. The rulemaking requires the Board to submit an annual report to the Governor and General Assembly covering the preceding 5-year period of commercial and industrial property assessments for each county in the state. The Board is required to make this report, and any other published by PTAB, available to each chief county assessment officer free of charge. The Board is also required to electronically distribute appeal

information concerning Cook County properties (including residential) to the Cook County Assessor every 30 days. In addition, the same rules of evidence that apply in courts to civil actions must be followed whenever a change in assessed valuation of \$300,000 or more is sought by parties who are represented by attorneys, and rules relating to privileged communications and privileged topics must also be observed. The hearing is scheduled for 10/28/05 from 1:00 p.m. to 3:00 p.m. in Room 413 of the Stratton Building located at 401 S. Spring Street in Springfield.

Informational Outreach Sessions Provided to Central Illinois Roofers

In an effort to educate those in the roofing industry on the OSHA Standards, and prevent death or serious injury, the Peoria OSHA office has been conducting informational outreach sessions for Central Illinois Roofers. Compliance Officers have thus far provided three informational outreach sessions to approximately 70 area roofers. During the session requirements for fall protection, personal protective equipment, training, inspections, and the top ten cited standards in the roofing industry for central Illinois are covered. Participants are provided a sample safety program, quick reference residential roofing card, Interim Fall Protection Compliance Guidelines for Residential Construction, and Residential Fall Protection Nailing It Down. If you would be interested in having an outreach session conducted in your area or would like a sample safety program, call (309) 589-7033 or email bonack.robert@dol.gov or Armstrong.karl@dol.gov.

Matchmaking Conference –November 15 – Richland Community College in Decatur

Go one-on-one with government buyers, with no prospecting, no booths and no waiting at the Matchmaking Conference, November 15 from 9:00 a.m. to 3:00 p.m. at the Richland Community College in Decatur. The cost is \$40 per person.

Bring your best sales pitch, including price lists, product descriptions, company history and reference information on November 15 for your individual meetings with government buyers. Identify up to four agencies that you would like to meet with. After you register, they will create a schedule of 15-minute meetings for you to meet with government buyers, including Illinois State Police, University of Illinois, City of Decatur, and U.S. EPA, U.S. Navy, U.S. Department of Veteran's Affairs, Defense Supply Center Columbus, United States Postal Service.

For more information, call Barb Mosier at (217) 875-7211, ext. 2450 or email bmosier@richland.edu.

2005 Opportunity Conference –November 9 – Chicago Metro Area

The U.S. Department of Labor, in partnership with the Asian American Alliance, the Illinois Hispanic Chamber of Commerce, and the Chicago Urban League will host a regional Opportunity Conference in Chicago. Celebrating the contributions of the region's Asian Pacific, Hispanic, and African American communities, the Opportunity Conference will emphasize key components of economic development and working with federal, state and local government.

Workshop topics include: Access to Capital, Marketing, Financial Literacy, Understanding Federal Procurement Opportunities, Addressing the Needs of Workers with Limited English Proficiency, Accessing Faith-Based and Community Grants, The Federal Grants Process and more.

For more information, log on to www.opportunityconference.gov.

I-SAVE Rx Prescription Drug Program

Below you will find a link to information on the I-SaveRx Prescription Drug program. This program is another tool to assist businesses and employees if they do not have access to affordable prescription drug coverage. <http://www.i-saverx.net/>.

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